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C.I.A. CASE LAWYER DENIES PAYOFF BID

Attempt Alleged in Slander
Suit Against an Agent

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WASHINGTON, April 22—A well-known Washington lawyer working with the Central Intelligence Agency to defend one of its agents in a \$110,000 slander suit attempted to "pay off" the complainant to drop the case, according to statements filed in the Federal District Court here.

The lawyer, **E. Barrett Prettyman Jr.**, a former Assistant Attorney General and special assistant at the White House, He told the court that the reported "payoff" in December, 1965, had merely been a routine attempt to settle the suit out of court by negotiation, and that the negotiations had failed.

[In East Lansing, Mich., Dr. John A. Hannah, president of Michigan State University, denied that the university had knowingly provided a "cover" for Central Intelligence Agency operatives in Vietnam in 1955-59.]

Mr. Prettyman's law firm, Hogan & Hartson, is defending the intelligence agent, **Juri Raus**, 39 years old. Mr. Raus is a Federal highway engineer in Washington who, the C.I.A. has acknowledged, was "concurrently" its employee.

In a telephone interview today, Mr. Prettyman declined to say whether Mr. Raus or the intelligence agency was paying the firm's fee.

"I can't answer that," he said.

The suit was brought by

Mark Hanna of Roxdale, Ont., a suburb of Toronto, charging that Mr. Raus falsely accused him of being an agent of the K.G.B., the Soviet secret police. The defense contends that the agent should be immune from suit because the slander, if there was one, was made in the performance of his duties.

The agency continued to decline comment on all aspects of the case. A spokesman declined specifically to comment on what seemed to be implied criticism of the agency's conduct in the case by Attorney General **Nicholas deB. Katzenbach**.

The Justice Department's comments were revealed today in the more than 1,000 pages of court records in the case, originally filed here in November, 1964. Because the C. I. A.'s role in the dispute was not made public until recently, the litigation escaped public notice until this week.

At a hearing before Chief Judge **Roszel C. Thomsen** on April 14, **Thomas J. Kenney**, the United States attorney for Maryland, made a statement to the court "at the personal and expressed direction" of Mr. Katzenbach.

"The Attorney General does not desire to make it affirmatively appear one way or the other that he or the Department of Justice necessarily approve of what was done here," he said.

Mr. Kenney, who appeared before Judge Thomsen with **Kevin J. Maroney**, a Justice Department lawyer from Washington, told the court last week, "The Attorney General simply wants it made clear that, although he is approving the legal aspects of this thing, he is expressing no opinion one way or the other as to whether he approves or disapproves of the conduct of the defendant."